Physician Assistant Employment Guide

Edition 2006

Feb. 9, 2006

Provided by the

Wisconsin Academy of Physician Assistants
&
University of Wisconsin-Madison
Physician Assistant Program

Dear Wisconsin Health Care Employers, Insurers, Providers and Students:

On behalf of the Wisconsin Academy of Physician Assistants (WAPA) and the Utilization Committee of the Wisconsin Program for Training Regionally-Employed Care Providers (WisTREC), we would like to share this *Employment Guide* with you. This *Guide* is a unique document written and compiled for all interested in the employment of Physician Assistants in Wisconsin and all who desire to effectively meet the health care needs of Wisconsin citizens in a cost effective manner. It is a current and comprehensive guide on Physician Assistant practice in Wisconsin. Containing information on a wide variety of topics, it is a tool we hope…

Administrators and insurers may use to clarify PA training and scope of practice
Reimbursement specialists may use to enhance appropriate billing
Students may use for assistance in finding first employment
Practicing PAs may use to keep currently informed about professional practice
Policy makers may use to clarify differences with other non-physician providers.

In developing this document, our goal was to present a concise, factual guide for both current and potential employers of physician assistants.

The materials presented in this booklet are the product of collaboration between numerous statewide partners. Current information was acquired from a variety of sources including the American Academy of Physician Assistants, the Wisconsin Academy of Physician Assistants, Dean Health Care, insurance and clinic management organizations, the Medical Group Management Association, published data and surveys conducted by WisTREC.

It is our privilege to pass on this practical product. Please feel free to share this resource with your colleagues. The *Physician Assistant Employment Guide* is available on at the Wisconsin Academy of Physician Assistants website at *www.wapa.org.* Your comments and feedback on the *Guide* for subsequent versions will be appreciated. Do not hesitate to contact us if we can be of further assistance.

Sincerely,

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INTRODUCTION TO SUBSEQUENT EDITIONS

This booklet was originally developed by the Wisconsin Program for Training Regionally Employed Care providers ("WisTREC") utilization task force in 1999. WisTREC was a project of the Wisconsin Area Health Education Center System initially funded by the Robert Wood Johnson Foundation-Partnerships for Training program. Although the original WisTREC project has disseminated, since 2002 the *Employment Guide* on Physician Assistant Practice in Wisconsin has been updated and distributed with permission of the original WisTREC partners by the Wisconsin Academy of Physician Assistants, edited by the former chair of the utilization task force.

WisTREC focused on increasing access to primary care in underserved areas and for underserved populations by increasing the training and use of physician assistants, nurse practitioners, and nurse midwives in these areas and populations.

The Wisconsin Academy of Physician Assistants (WAPA) is committed to sharing the information in these guides with all interested parties. These guides may be copied and distributed or excerpts used if the WisTREC project is credited.

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FACTS ABOUT PHYSICIAN ASSISTANTS

General Description

The role of the physician assistant (PA) continues to expand in importance to providers in institutional, private primary care, and specialty practices and to the communities in which they serve. Physician assistants are finding growing occupational opportunities within acute and long-term care facilities, in the offices of independent practice physicians, and with physicians in group practice.

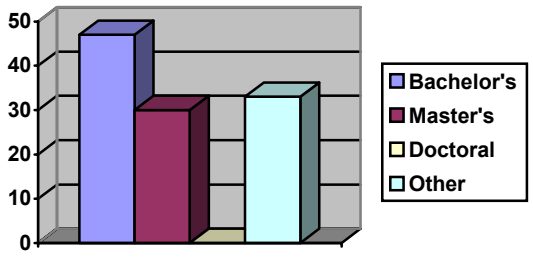
. . . the role of the PA continues to expand in importance . . .

Whether serving in primary care or specialty disciplines, or in the role of a significant adjunct to public health resources, the professional PA augments the capacity of traditional health care delivery systems by offering greater efficiencies in the delivery of care. PAs afford more rational allocation of time and resources while also retaining high levels of patient satisfaction.

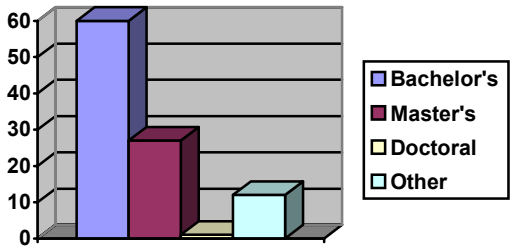
Education and Certification

Basic admission requirements for most PA programs require two years of college and some prior health care experience. According to the 2004 Physician Assistant Census conducted by the Association of Physician Assistant Programs (APAP), 76 percent of the students enrolled in 2004 had earned at least a baccalaureate degree prior to entering PA school. Further data gathered from AAPA on all currently practicing PAs is provided in the chart below.

Educational Background of PAs Nationally 2005



Educational Background of Wisconsin PAs 2005



As of 2005, there were 136 accredited physician assistant programs in the U.S. All PA programs are accredited by the Accreditation Review Commission on Education for the Physician Assistant (ARC-PA, http://www.arc-pa.org). The governing body of the ARC-PA includes members from the American Medical Association, the American Academy of Family Physicians, the American College of Physicians–American Society of Internal Medicine, the American Academy of Pediatrics, the American College of Surgeons, the American Academy of Physician Assistants, and the Association of PA Programs.

The first year of the two-year PA program includes classroom study in basic and

behavioral/social sciences: anatomy, biochemistry, clinical laboratory, clinical medicine, health promotion, medical ethics, microbiology, pathology, pharmacology, physiology, and psychology. The second year encompasses over 2,000 hours of clinical rotations in emergency medicine, family practice, internal medicine, obstetrics/gynecology, orthopedics, pediatrics, and surgery.

Upon graduation from an accredited PA program, candidates for the profession must sit for the certifying examination developed by the National Board of Medical Examiners and administered by the National Commission on Certification of Physician Assistants (NCCPA). Wisconsin requires candidates to pass this examination prior to licensure as a PA. However, a nonrenewable temporary license may be obtained in Wisconsin as long as a qualified graduate is either scheduled to take the PA examination or has taken the examination and is awaiting the results. The temporary license is valid in every way as the permanent license. Those who successfully pass the examination may use the title "Physician Assistant-Certified" (PA-C). Physician assistants must complete 100 hours of continuing medical education every two years and pass recertification exams every six years to maintain national certification. A minimum of 50 hours must be earned in Category 1 CME credit as defined and approved by the AAPA or other accrediting body such as the AMA or AAFP.

Characteristics of Practitioners

Although originally male dominated and historically rooted in military medic training in the mid to late 1960s, almost two-thirds of all PAs are now women.

Practitioner Demographics

According to AAPA figures gathered in 2005, the vast majority of PAs responding to the association's annual census were employed in clinical practice (89%); with most of those individuals practicing on a full-time basis (87%).

The same census reports that Wisconsin's gender ratio (36% male, 64% female) is similar to the national figures (38% male, 62% female). About 97% of Wisconsin respondents reported their race as White, less than 1% reported as Black or Hispanic and 1% reported as American Indian.

Number of Practitioners

AAPA estimates that approximately 55,061 physician assistants were eligible for clinical practice as physician assistants in the United States as of January, 2005. The national membership of AAPA at that time was just over 38,000. According to the Wisconsin Medical Examining Board, a total of 1324 PAs were licensed to practice in the state of Wisconsin in July, 2005.

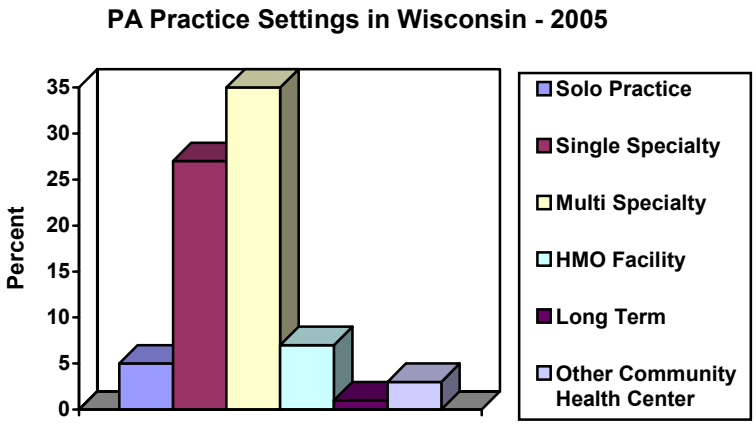
Enrolled Candidates

Nationally, according to the 2004 Association of PA Programs' Annual Report about 8,753 students were enrolled in the 133 accredited physician assistant programs during the 2003-2004 academic year. The number of graduates was estimated at 4416 and the number of graduates in 2006 is expected to exceed 5,000. In Wisconsin, approximately 80 PA students graduate each year: 32 students from the University of Wisconsin-Madison, 36 students from Marquette University in Milwaukee and 12 students from the University of Wisconsin-La Crosse.

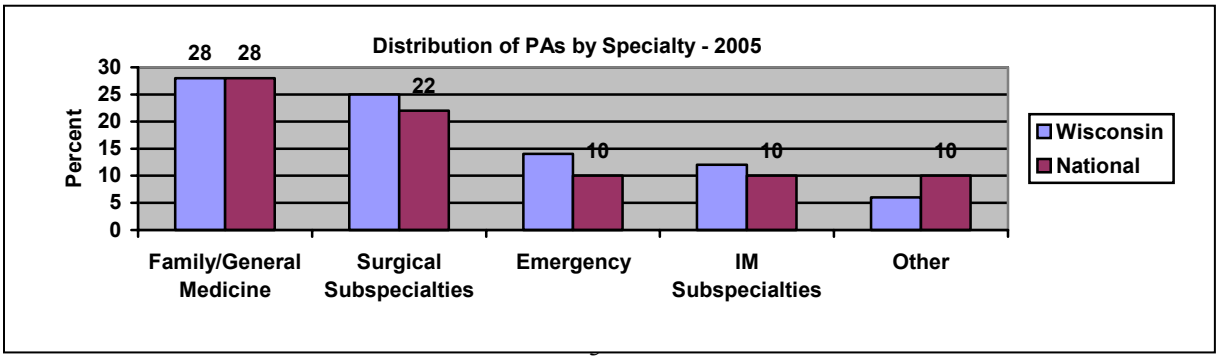
Practice Settings

Physician assistants practice in communities spanning the most densely urban to the most remote and rural. AAPA 2005 census data reveal that 26 % of Wisconsin respondents describe their practice sites as non-metropolitan compared with 17 % nationally. Nationally, in the 2004 AAPA census, 15% reported their employment setting as inner city , 36% reported an urban setting, 60% reported a suburban setting, and 40% reported working in a rural setting. The Wisconsin subset of the same census reveals that only 5% of Wisconsin PAs are employed by a solo physician practice compared with 14% nationally. In Wisconsin, 26% of PAs are employed by single specialty groups compared with 30% nationally and 33% of Wisconsin PAs are employed by multi-specialty groups compared with 13% nationally. About 7% of Wisconsin PAs reported HMO facilities as their primary work settings compared to 2% nationally. Among Wisconsin PAs, 7% of respondents reported university hospitals as their primary employers while 9% reported other hospitals as their primary employers. Nationally, 7% of PAs were employed by university hospitals and 15% by other hospitals.

The 2005 AAPA survey data indicated that the practice settings for 4.5% of Wisconsin PAs were solo practice physician sites; 27% in single-specialty physician group practices; 35% in multi-specialty physician groups practices; 7%in HMO facilities; 3% in community health care facilities and less than 1% in nursing homes/long term care. Of the 14% of Wisconsin PAs who practice primarily in hospital settings, the majority work in emergency rooms (35%) followed by operating rooms (25%), inpatient units (25%) and outpatient units (10%).



According to the American Academy of Physician Assistants, PA professionals practice in over 60 specialty fields of medicine nationwide. Slightly less than half of practicing physician assistants are active in the primary care fields—family/general practice, general internal medicine, pediatrics, and obstetrics/gynecology. Other prevalent specialties with PA involvement include general surgery/surgical subspecialties, emergency medicine, and the subspecialties of internal medicine. In addition, PAs frequently work in the areas of education, clinical supervision, and administration.



Scope of Practice

The scope of practice of physician assistants currently licensed in the state is defined under Chapter Med 8 of the Wisconsin Administrative Code governing the state's Medical Examining Board.

> *In providing patient services, the entire practice of any physician assistant shall be under the supervision of a licensed physician. A physician assistant's practice may not exceed his or her educational training or experience and may not exceed the scope of practice of the supervising physician. A medical care task assigned by the supervising physician to the physician assistant may not be delegated by the physician assistant to another person.*

Thus as their scope of responsibilities is determined within the practice of a supervising physician, the PA is a medical team member who provides a broad range of services. These services may include:

- patient histories and physical exams;
- a variety of diagnostic studies to form a diagnostic impression;
- initiation and management of therapies for acute or chronic health problems;
- health screenings, preventive care, patient education, and counseling;
- minor surgical procedures;
- family planning, perinatal, and gynecological care;
- assisting with surgery, ER, acute hospital, and long-term care;
- referral and follow-up care with physician specialists; and
- issuing prescription orders for medications.

Employment Requirements

Chapter Med 8 sections 9 and 10 of the Wisconsin Administrative Code refer to employment requirements for physician assistants.

> *No physician assistant may be self-employed. If the employer of a physician assistant is other than a licensed physician, the employer shall provide for, and may not interfere with, the supervisory responsibilities of the physician.*
>
> *No physician may supervise more than two physician assistants concurrently unless that physician submits a written plan and receives approval; however, more than one physician is allowed to supervise a PA.*

The supervision requirements in Med 8.10 allow a physician assistant to practice at a site other than the supervising physician's office. In fact, it is quite common for a physician assistant to practice in a facility a substantial distance away from the supervising physician. The supervising physician must be available for consultation by telephone or other means of telecommunication within 15 minutes of contact. Another licensed physician can be designated by the supervising physician to provide substitute supervisory responsibilities for up to eight weeks per year.

. . . it is quite common for a practicing physician assistant to be located in a facility a substantial distance from the supervising physician.

The supervising physician is required to conduct an on-site review of

facilities attended by the PA at least once a month. However, certain payor requirements may be more stringent. For example, Medicare regulations for certified rural health clinics require that a physician be present in the clinic at least once every two weeks unless there are extraordinary circumstances that require postponement of the scheduled visit.

Spectrum of Practice Settings

Physician assistants may offer a solution to the national shortage of primary care physicians and help provide both primary and specialty care for many Americans who would otherwise lack access to ongoing health care services. Working side-by-side with a physician as an assistant-at-surgery or practicing with minimal supervision in a remote rural clinic, PAs continue to address the health care needs of millions of Americans each year.

A wide range of health care organizations have found that physician assistants contribute significantly toward their overall mission of providing high-quality, cost-effective health care services. Physician assistants are most commonly found in clinic settings where they conduct physical exams, diagnose and treat illnesses, order and interpret diagnostic tests, and in most states, prescribe medications. Many hospitals utilize the expertise of PAs in emergency rooms and urgent care settings. Residents of long-term care facilities benefit from the collaborative effort among provider teams consisting of physicians and PAs. As an integral member of a surgical practice, the PA is often called upon to perform routine pre- and post-surgery follow-up care in addition to directly assisting in surgeries.

This broad range of practice settings can help to explain the strong demand for physician assistants and the tremendous growth in the number of practicing PAs from less than 1,500 in 1973 to more than 56,000 practicing PAs across the country today. Medical practice managers and physicians often cite the following benefits that physician assistants can bring to an organization:

- **Better patient flow.** Physician assistants can see walk-ins, urgent care cases, and routine follow-up visits such as blood pressure checks.

- **Shorter waiting time for appointments.** Patients have the option of seeing the PA when a physician is not available. This can improve patient satisfaction with greater availability of care.

- **Greater emphasis on prevention and patient education.** Physician assistants can oversee nutrition and exercise programs for weight management, hypertension, and diabetes care, as well as smoking-cessation programs.

- **Ability to extend care into the community.** Physician assistants can extend care to patients in rural communities, medically underserved areas, and nursing homes that may not have access to physician services.

- **Enable physicians to focus on difficult problems.** Perhaps one of the greatest benefits is that a physician assistant can shift the workload. He or she can handle routine office visits, freeing physicians to manage the more challenging cases.

- **Professional fellowship.** For solo physicians, especially those in rural or frontier practice, a physician assistant can provide professional fellowship.

Prescriptive Authority

Current provisions . . . permit a physician assistant to prepare prescription orders with physician supervision.

A number of recent legislative changes in Wisconsin became effective on February 1, 1999. Wisconsin Statute 448.21(3) permits a physician assistant to issue a prescription order for a drug or device in accordance with guidelines established by a supervising physician and the PA and with rules promulgated by the Medical Examining Board. Physician assistants in Wisconsin are now recognized as practitioners under state controlled substance law, s.961.01(19), which permits them to distribute and dispense controlled substances including schedule II through schedule V medications. Wisconsin PAs were already recognized as individual practitioners under federal controlled substance law, s.21 CFR 1300.01(17)(28), and are eligible to apply for midlevel provider DEA registration numbers.

Chapter Med 8.08 of the Wisconsin Administrative Code requires that written guidelines for prescribing be kept on-site and reviewed at least annually by the PA as well as the supervising physician. The actual format of these guidelines is left up to the discretion of the physician and the PA; but it is recommended that they should at least include the classes of medications (reference to a drug formulary is acceptable) which the PA has been delegated the authority to prescribe as well as any restrictions. Prescription orders prepared by the PA must contain the name, address, and telephone number of the supervising physician. Under changes to Med 8.08 approved by the Medical Examining Board in February of 1998, the supervising physician is required to review and countersign either the prescription order or the patient record prepared by the PA within 72 hours. The countersignature requirement only applies to patient records for which prescriptions are written or medications are ordered. If a PA practices in a facility apart from the supervising physician, review by telephone within 72 hours and countersignature of the patient record within one week is required.

The Wisconsin Academy of Physician Assistants is currently working with the Medical Examining Board on proposed changes to the chart countersignature requirement. These changes would provide greater flexibility in the chart review requirement to address the changing practice environment and increasing proportion of PAs who work in specialty practice.

REIMBURSEMENT AND FINANCIAL ANALYSIS

Compensation Arrangements

Salary and Benefit Structure

Arrangements for the compensation of physician assistants vary by organization; however, the direct compensation for most PAs is typically based on a straight salary, a salary plus bonus incentive payment, or a production formula. A year 2000 survey conducted by the Medical Group Management Association revealed that of 282 employed PAs, 60 percent were compensated on a straight salary basis, whereas 37 percent had a salary plus a bonus or incentive payment. The remaining 3 percent were compensated on a production basis, computed by gross charges, net charges, or on a relative value unit formula.

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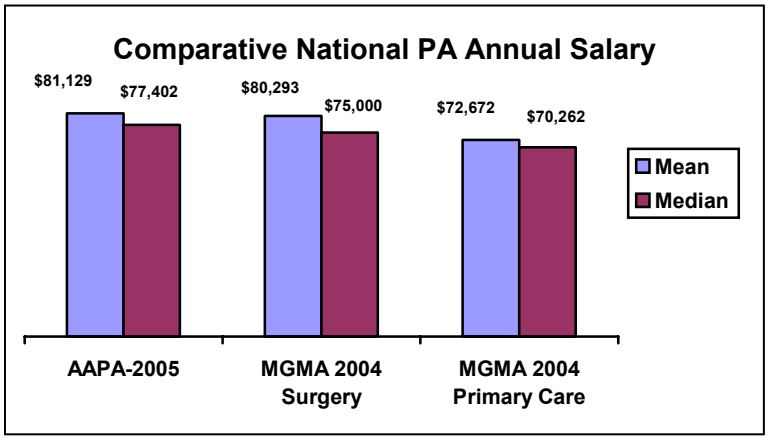
The benefit structure for employed PAs also varies by organization. According to the AAPA Census, typical benefits of practicing PAs include nearly three weeks paid vacation (including six to ten paid holidays), paid sick and continuing medical education leave (5 days CME), pension/retirement fund, malpractice insurance, health insurance, group term life insurance, group long-term disability insurance, annual dues/licensures, and an average continuing education allowance over $1,600.

National Salary Data

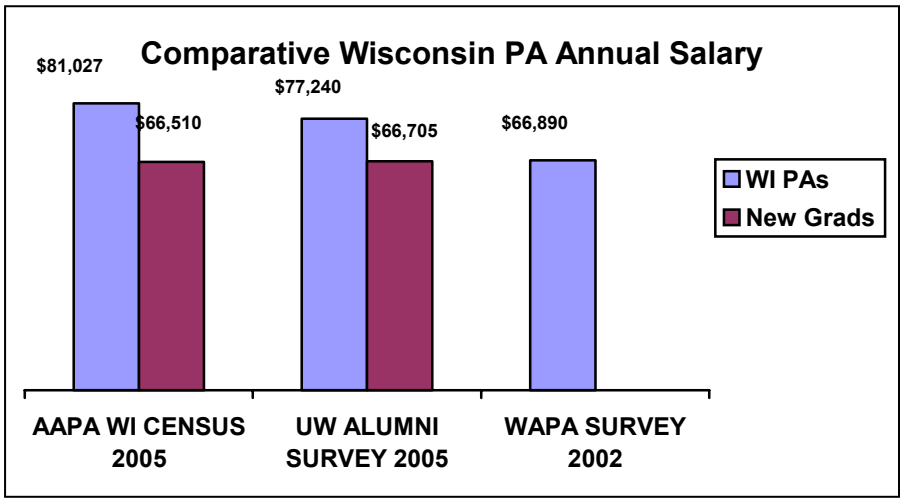
Several organizations accumulate and report annual salary data for physician assistants. According to data collected in 2005 by the AAPA, the mean annual income for PAs nationwide was $81,129; the median was $77,402. The 2005 AAPA Census also reported the mean annual income for PAs who graduated in 2004 from a PA school was $68,116; the median was $66,510. The Medical Group Management Association's *Physician Compensation and Production Survey: 2004 Report Based on 2003 Data* reported that the mean compensation of surgical PAs was $80,293; the median was $75,000. The MGMA survey also reported that the mean compensation of primary care PAs was $72,672; the median was $70,262.



National survey data has revealed wide variations in the earnings among PAs due to factors such as years of experience, specialty of practice, population of the geographic area, whether the PA takes call, and whether the PA has administrative and/or supervisory responsibilities for other PAs. For instance, the AAPA reports that primary care PAs have mean incomes below the overall average for all PAs. Specialties with incomes above the overall mean income include surgery, emergency medicine, and occupational/industrial medicine.

Wisconsin Salary Data

The AAPA 2005 Census reported a mean salary of $81,027 for Wisconsin respondents and $66,510 for Wisconsin respondents who were employed for approximately one year or less. In February 2005, the University of Wisconsin-Madison Physician Assistant Program compiled salary data on alumni employed as full-time PAs. Based on 317 alumni survey responses, the mean annual income for all full-time Wisconsin PAs was $77,240, while the mean annual income for those employed for one year or less was $66,705. In the fall of 2002, the Wisconsin Academy of Physician Assistants received 372 responses to its second employment survey. The mean annual salary was $66,890. However, the WAPA survey did not control for respondents who were employed part time.



Contribution to Practice Revenue

Pricing of Services

In most medical practices, the amounts charged for services rendered by the physician assistant are identical to the amounts charged for comparable services performed by a physician. Therefore a patient may be charged the same amount for the same service, whether a PA or a physician performs it. However, the average complexity of patient health care needs and services rendered by the PA may be less than the typical physician. A difference in the mix of services delivered will result in lower average charges per patient treated by the PA (for example, an established patient with a minor illness) as opposed to the physician (for example, a new patient with multiple, acute illnesses).

Volume Indicators

. . . MGMA and AAPA data suggests that a physician assistant, on average, treats 14 to 20 outpatients per eight-hour day . . .

Patient visit statistics, or ambulatory encounters, can be an effective barometer of the financial performance of a health care provider, particularly in a primary care practice setting. A patient visit is typically defined as an identifiable contact between the patient and a health care provider where advice, a procedure, service, or treatment is provided. Important volume indicators for PAs in surgical practices may also include the number of surgical assists.

AAPA's 2004 Census data indicates that of those PAs working full-time in the treatment of outpatients exclusively, the average number of patient visits per week is 96. The mean number of patient encounters per week for those who work full-time treating inpatients exclusively is significantly lower (62). The Medical Group Management

Association also reports the number of ambulatory encounters for PAs in primary care practices. The 2002 MGMA Survey reported the average number of annual ambulatory encounters for primary care PAs as 3,438. Assuming the average PA works approximately 48 weeks per year (allowing for vacation and CME), the MGMA data would translate into approximately 71 ambulatory patient visits per week. The MGMA and AAPA data suggests that a physician assistant, on average, treats 14 to 20 outpatients per eight-hour day in a primary/ambulatory care setting. This data has been further corroborated by the University of Wisconsin-Madison *2002 Physician Assistant Alumni Survey*. This survey reported that an average of 17.5 outpatient encounters were treated each day by 329 responding PAs.

Production Data

Production (revenue) generation by physician assistants is not widely reported in trade journals or medical surveys, but patient charges can be another key indicator of the financial performance of the PA. The role of the PA within the medical practice can have a direct impact on the amount of patient charges resulting from services provided by the practitioner. For instance, the role of a surgical PA could be primarily limited to pre- and post-surgery evaluation and patient education; services that are usually bundled in the surgeon's charge for the surgical procedure and not separately billed. In this instance, therefore, revenue generation may not be a proper indicator of financial performance since the work of the PA is intended to relieve the surgeon of these functions and allow him or her to focus more attention on performing billable surgical procedures.

The role of the PA within the medical practice can have a direct impact on the amount of patient charges . . .

In most situations, however, gross charges generated by the PA are tracked separately by practice managers to evaluate the financial contribution of the PA to the employing organization. The 2002 Medical Group Management Association *Physician Compensation and Production Survey* reports the median annual gross professional charges for PAs in primary care practices as $294,549. Average annual gross professional charges for surgical PAs is slightly higher at $261,293. The median annual gross professional charges for surgical PAs is slightly higher at $270,029. It should be noted that these amounts exclude the technical component of all ancillary services such as laboratory and radiology.

Third-Party Coverage and Payment

Medicare Coverage and Payment

The first Medicare coverage of physician services provided by physician assistants was authorized by the Rural Health Clinic Services Act in 1977. In the following two decades, Congress incrementally expanded Medicare Part B payment for services provided by PAs authorizing coverage in hospitals, nursing facilities, rural Health Professional Shortage Areas, and for first assisting at surgery. In 1997, however, the Balanced Budget Act extended coverage to all practice settings at one uniform rate.

As of January 1, 1998, Medicare pays the PAs' employers for medical services provided by PAs in all settings at 85% of the physician's fee schedule . . .

As of January 1, 1998, Medicare pays the PAs' employers for medical services provided by PAs in all settings at 85 percent of the physician's fee schedule using the Resource-Based Relative Value Scale (RBRVS) system. This includes hospitals (inpatient, outpatient, and emergency departments), nursing facilities, offices and clinics, and first assisting at surgery. Medicare assignment is mandatory, and state law determines supervision and scope of practice. Hospitals that bill Part B for services provided by PAs may not at the same time include PAs in the DRG calculations by including PA salaries in the hospital's cost reports.

Outpatient services provided in offices and clinics may still be billed under Medicare's "incident-to" provisions if Medicare's restrictive billing guidelines are met. This allows payment at 100 percent of the physician's fee schedule if: (1) the physician is physically on-site when the PA provides care; (2) the physician treats all new Medicare patients (PAs may provide the subsequent care); and (3) established Medicare patients with new medical problems are personally treated by the physician (PAs may provide the subsequent care).

Medicare-certified rural health clinics (RHCs) and federally qualified health centers (FQHCs) receive cost-based reimbursement for covered services to Medicare beneficiaries regardless of the provider of care, physician or PA. In general, RHCs and FQHCs receive an all-inclusive reimbursement rate for each patient visit up to the Medicare maximum payment limit. The 2000 maximum payment limit per encounter for RHCs was $61.85, rural FQHCs was $82.55, and urban FQHCs was $96.02. These payment limits apply to all covered services furnished during the patient visit including all physician services, PA services, incidentals, and diagnostic laboratory tests. As of January 1, 1998, the all-inclusive payment limitation for RHCs is waived only for those clinics in rural hospitals with fewer than 50 beds.

Medicaid Coverage and Payment

Nearly all state Medicaid programs cover medical services provided by PAs.

Nearly all state Medicaid programs cover medical services provided by physician assistants. To be certified by the Wisconsin Medicaid program, physician assistants must be certified and registered pursuant to Wisconsin Statutes and the Wisconsin Administrative Code. All PAs providing services to Wisconsin Medicaid recipients must be individually certified by Wisconsin Medicaid in order to be reimbursed and are issued a nonbilling performing provider number. PAs must bill under the Medicaid billing number of a supervising physician or employing clinic and under the conditions of physician delegated services. Employers and billing offices need to review and follow Medicaid billing policies as detailed in the various Medicaid provider manuals.

Physician assistant reimbursement by Wisconsin Medicaid is limited to 90 percent of the reimbursement allowed for the physician who would have otherwise performed the service. The only exceptions are that physician assistants are reimbursed up to 100 percent of the physician's maximum fee for injections, immunizations, and lab handling fees. However, Wisconsin Medicaid provides incentive payments to primary care and emergency medicine providers, including PAs, who either serve Medicaid recipients residing in Health Professional Shortage Areas (HPSAs) or practice within a designated HPSA zip code. The incentive payment for HPSA-eligible primary care and emergency medicine procedures is 20 percent of the physician maximum allowable fee. HPSA-eligible obstetrical procedures receive the HPSA bonus and an additional 25 percent incentive payment.

Medicaid-certified rural health clinics and federally qualified health centers receive cost-based reimbursement for covered services to Medicaid recipients regardless of the provider of care, physician or PA. In Wisconsin, all RHCs receive an all-inclusive reimbursement rate for each patient visit up to the Medicare maximum payment limit. An additional 10 percent incentive payment is made to RHCs who serve Medicaid recipients residing in HPSAs. The 2000 Wisconsin Medicaid maximum payment limit per encounter for RHCs was $68.04, including the HPSA incentive payment. Wisconsin Medicaid cost-based reimbursement for FQHCs is not limited by the maximum payment rates.

Commercial Insurance Coverage and Payment

Most commercial insurance companies allow for the coverage of PA-provided medical services. However, insurance companies often differ in both how medical services provided by PAs are covered and how insurance claim forms should be submitted. Most commercial insurance companies will extend coverage for medical services provided by a PA if those services are included as part of the physician's bill. The majority of insurers require that the bill for medical services provided by PAs be filed under the physician's name and provider number. Since some insurers prefer the claim to be filed under the PA's name, billing personnel should check with the individual insurance company to determine the particular policy on coverage for medical services provided by PAs. Below is an excerpt from a commercial insurance plan document in defining coverage for professional services, including the physician assistant:

> *Such services also include services provided by . . . a physician assistant, provided such person is lawfully employed by the supervising physician or the facility where the service is provided and he/she provides an integral part of the supervising physician's professional services while the physician is present in the facility where the service is provided. With respect to such services provided by a . . . physician assistant, such services must be billed by the supervising physician or the facility where the service is provided.*

Managed Care Coverage and Payment

Consistent with this approach, the American Medical Association has long recommended that the charge for services provided by the PA be a part of the physician's usual, customary, and reasonable charge. Reimbursement for services provided by the PA when billed by the physician will not differ from the reimbursement for services performed solely by the physician.

Historically, the financial health of a medical practice depended on its ability to provide an expanding array of services to an increasing number of patients. The traditional model of health care delivery was fueled by the absence of price competition for health services as well as a

seemingly endless demand for patient services. However, the emergence of managed care organizations (MCOs) has changed the financial incentives among health care providers. Instead of focusing on increased patient utilization of costly services, medical practices with managed care contracts are focusing on how to manage patient care more efficiently and reduce utilization.

Payment arrangements vary from one MCO to the next, but a common reimbursement strategy is to pay health care providers a fixed amount for the care of a covered population. The fixed payment may represent the total amount for all care delivered (i.e., a global capitation payment) or the amount for primary care professional services only. Nevertheless, an emphasis in most managed care arrangements is placed on shifting the financial risk for the provision of health care services from an employer or insurance carrier to the health care provider.

Health care providers have responded to the demands of the managed care market by developing strategies to lower operating costs, improve patient satisfaction, and enhance the overall health of the patient population. Physician assistants can make significant contributions in each of these areas through their involvement in patient education, wellness programs, patient recalls, telephone triage, utilization review, and quality assurance programs, as well as their efficient treatment of those individuals requiring medical attention.

Cost/Benefit Analysis

The following tables provide two compelling illustrations of the financial benefits of a physician/PA practice model. Revenues for this analysis are from all professional services, excluding diagnostic services such as laboratory tests and radiology procedures. Only certain variable expenses are presented, including salaries and fringe benefits for a physician, a PA, and medical assistants. Malpractice insurance premiums have also been included. This analysis has been simplified to clearly show the variability in contribution to overhead expenses under both a traditional fee-for-service operating environment and under a 100 percent capitated payment arrangement.

Financial data for this analysis was drawn from the Medical Group Management Association 2000 *Cost Survey*, the 2000 *Physician Compensation and Production Survey*, and actual data from various medical practices.

Fee-for-Service Model

Table I below illustrates the traditional fee-for-service model. Column 1 with a single physician staff results in a contribution margin of $84,200. Table I, column 2 presents the same traditional fee-for-service arrangement but includes a physician assistant provider in addition to the original physician.

TABLE I
Fee-for-Service Model
Sample Analysis

	(1) Physician Only	(2) Physician/ PA Team	(3) Difference
REVENUES			
Gross charges – Physician	$395,000	$395,000	$-0-
Gross charges – PA	-0-	211,000	211,000
Adjustments - Physician (25%)	(98,800)	(98,800)	-0-
Adjustments - PA (30%)	-0-	(63,300)	(63,300)
Total Net Revenue	296,200	443,900	147,700
VARIABLE EXPENSES			
Salary & fringes – Physician	180,000	180,000	-0-
Salary & fringes – PA	-0-	73,600	73,600
Salary & fringes – Medical Asst.	25,000	25,000	-0-
Salary & fringes – Medical Asst.	-0-	25,000	25,000
Malpractice insurance – Physician	7,000	7,000	-0-
Malpractice insurance – PA	-0-	700	700
Total Variable Expenses	212,000	311,300	99,300
Contribution to Overhead	$84,200	$132,600	$48,400

Based on the data presented in Table I, the PA can add $147,700 in net revenue, $73,600 in salary and fringe benefit cost, a medical assistant of $25,000 in annual cost, and roughly $700 in malpractice insurance premiums. The computed net increase in contribution margin as a result of adding the PA is $48,400. The new contribution to overhead for the two providers combined has increased to $132,600.

Managed Care Model

Table II illustrates a much different environment consisting of a prepaid (capitated) HMO patient population. Revenue is depicted as fixed payments of $15 per member per month for the patient panel. In Table II, column 1, with a panel of 2,400 health plan members, total net capitated revenue for the year is estimated at $432,000. Associated variable expenses are $212,000 leaving a net contribution of $220,000. In column 2, there is an addition of a PA, but together both providers are still managing the same panel size. Obviously the contribution will drop commensurate with the additional costs of the PA and support staff. In columns 3 and 4, the panel is shown to increase by 600 members each, resulting in increased capitated payments and a higher contribution margin. In column 4, representing a panel size of 3,600, the contribution has grown to $336,700, or more than 50 percent of the net revenue.

…a 50% increase in panel size can result in a greater contribution margin than an individual physician may be able to achieve on his or her own.

TABLE II
Managed Care Model
Sample Analysis

	(1) Physician (2,400 Panel)	(2) Phys./PA (2,400 Panel)	(3) Phys./PA (3,000 Panel)	(4) Phys./PA (3,600 Panel)
REVENUES				
Capitated payments	$432,000	$432,000	$540,000	$648,000
Total Net Revenue	432,000	432,000	540,000	648,000
VARIABLE EXPENSES				
Salary & fringes - Physician	180,000	180,000	180,000	180,000
Salary & fringes - PA	-0-	73,600	73,600	73,600
Salary & fringes - Medical Asst.	25,000	25,000	25,000	25,000
Salary & fringes - Medical Asst.	-0-	25,000	25,000	25,000
Malpractice insurance - Physician	7,000	7,000	7,000	7,000
Malpractice insurance - PA	-0-	700	700	700
Total Variable Expenses	212,000	311,300	311,300	311,300
Contribution to Overhead	$220,000	$120,700	$228,700	$336,700

EMPLOYMENT INFORMATION

Employment Contracts and Agreements

In most instances, a written agreement is presented to the employed physician assistant outlining the key terms of his or her employment status. This agreement may be in the form of an employment contract or may be less formally drafted into a letter of employment. However written, several key areas are commonly addressed within the employment document. These areas include:

Job Description
- ✓ Scope of practice
- ✓ Physician supervision
- ✓ Administrative responsibilities
- ✓ Office location(s)
- ✓ Hours of operation
- ✓ Expected hours per week
- ✓ Call schedule
- ✓ Holidays/weekends

Compensation Package
- ✓ Base salary
- ✓ Bonus arrangement
- ✓ Annual salary adjustments
- ✓ Pension/retirement benefits
- ✓ Profit sharing
- ✓ Paid time off

Insurance
- ✓ Malpractice insurance
- ✓ Health/dental insurance
- ✓ Life/disability insurance

Professional Expenses
- ✓ CME program and travel costs
- ✓ CME paid time off
- ✓ Certification expenses
- ✓ Membership dues

Contractual Provisions
- ✓ Effective date
- ✓ Probationary period
- ✓ Renewal
- ✓ Termination provisions
- ✓ Notifications

The above items represent basic areas of employment that should be clarified when the PA, employer, and supervising physician discuss the terms of employment. It is advisable to have a written contract or practice agreement that clearly spells out the terms of employment.

Credentialing

Hospital Privileges

Data collected by the AAPA show that more than a quarter (29.4%) of the clinically practicing PAs have inpatient responsibilities in hospitals. Of these PAs who provide inpatient medical care, 58 percent are employed by hospitals in inpatient settings. Another 17 percent are employed by hospitals primarily to work in outpatient settings, but have some inpatient responsibilities. The remaining 25 percent are employed outside the hospital and are privileged to provide inpatient medical care.

Physician assistants practice medicine with physician supervision. Within the hospital setting, PAs may be granted privileges to conduct rounds; perform histories and physicals; evaluate changes in a patient's condition; issue orders for such things as medications, treatments, and laboratory tests; record progress notes; and write discharge summaries. Employment of physician assistants as first assistants in surgery is also a common practice.

Hospitals that grant privileges to PAs to practice in their facilities should verify that the PAs are properly licensed, certified, or registered by the state and have adequate professional liability insurance. On demonstration of satisfactory training and experience, and after approval by the hospital board or designated individual, a PA may be granted privileges with supervision of a physician who has appropriate privileges. The criteria and process for granting clinical privileges to PAs should be outlined in the medical staff bylaws. It is recommended that the actual PA privileges be stated, not in the bylaws but in the medical staff rules and regulations, where amendments can be made more easily and efficiently. Preferably, this may be done in a category specifically for physician assistants as medical staff members.

Hospitals typically have a system for granting physicians provisional approval on particular privileges until competence is shown. A similar system may be established for PAs. Likewise, many hospitals use virtually the same form for physicians and physician assistants who are applying for privileges.

Patient Satisfaction

Patient acceptance and satisfaction with care has only recently received attention in the medical literature. Measurement of patient satisfaction levels by health care providers is important because increasingly popular health plans are interested in ensuring member satisfaction. Understanding patient satisfaction with care is therefore critical if health plans are to be successful in attracting and retaining large employer groups and other health plan members.

Early studies of patient acceptance and satisfaction on physician assistants showed that, compared with physicians, PAs function at comparable levels, use no more health care services, and are accepted by patients at a comparable level. A more recent study conducted in 1995-96 by Kaiser Permanente of the Northwest (KPNW), a health maintenance organization, explored differences in patient satisfaction with physician and nonphysician providers. An analysis of this study confirmed earlier findings that patients are satisfied with their care regardless of the type of practitioner delivering the care. This study further suggests that patient satisfaction appears to depend on the communication skills and style of the provider and not on the type of provider. Therefore, the incorporation of physician assistants in the health care delivery system can result in greater patient satisfaction, along with the economic benefits commonly associated with nonphysician providers.

Liability Insurance

Employer Coverage and Individual Policies

Professional liability insurance for the physician assistant can be obtained through the employing clinic, personally by the PA, or by a combination of both parties. The American Academy of Physician Assistants reports that of 14,560 practicing PAs responding to a recent survey, 98%

indicated that their employer funded the entire premium for their professional liability insurance policy. Nearly all (99.3%) of the 432 Wisconsin PA respondents reported that the employer paid the entire premium.

Even though many employers offer to pay the cost of the professional liability insurance for employed PAs, the AAPA generally advises that all physician assistants consider obtaining an individual policy instead of relying on a group insurance policy through their employers. Many employers have the option of simply adding coverage for the physician assistant as a rider to an existing physician policy. Often, such policies do not name the individual for whom this coverage is obtained. These "no name" policies may link certain key provisions, such as coverage limits and type of coverage, with other employed providers. An individual policy, on the other hand, will establish individual coverage limits and define the type of coverage, either occurrence or claims made, without regard to any other such policy in effect for other employed providers. For this reason, it is preferable for the PA to be specifically named on an individual liability insurance policy.

Costs for professional liability insurance policies vary depending on the PA's scope of practice, the type of coverage, and the policy limits. The AAPA has worked closely with the American Continental Insurance Company in developing occurrence form policies tailored to the needs of physician assistants. Annual premium costs range from $600 to over $5,000 depending on the location of the practitioner, the PA's scope of practice, and the policy limits.

Patient Compensation Fund

Professional liability insurance in Wisconsin is a two-tiered structure whereby commercial insurance is obtained for coverage up to a mandated limit. Coverage beyond the mandated limits is provided through a statewide fund entitled the Patient Compensation Fund. Beginning in 1997, the mandated coverage limits were $1,000,000 per occurrence and $3,000,000 aggregate. Based on these limits, an individual policy for a Wisconsin PA offered through the American Continental Insurance Company would cost anywhere from $1,200 to $5,000 per year. The extended coverage through the Patient Compensation Fund would cost approximately $500.

Recruitment and Retention

There are a number of federal and state loan repayment and scholarship programs that can assist primary care clinics, in rural and urban shortage areas, in the recruitment and retention of physician assistants. There are also federal and state reimbursement incentives to retain PAs who provide primary care in designated rural and urban shortage areas.

Loan Repayment and Scholarship Programs

The National Health Service Corps (NHSC), a federal program, offers loan repayment or scholarship assistance to physician assistants who agree to provide primary care for at least two years in a rural or urban federally designated HPSA. A NHSC scholarship can cover full tuition, or NHSC loan repayment can provide up to $50,000 for a two-year obligation. The Wisconsin Division of Public Health - Primary Care Section helps clinics and physician assistants by providing information and applications for these programs.

The Wisconsin Health Professions Loan Assistance program can provide up to $25,000 for a three-year obligation for physician assistants who agree to provide primary care in federally designated rural and urban HPSAs in Wisconsin. The Wisconsin Office of Rural Health helps clinics and physician assistants by providing information and applications for this program.

Recruitment Strategies

Physician assistant educational institutions and professional associations provide several means of assisting potential employers of PAs in finding the right candidate for their organization.

- *Clinical Preceptorship*
  A large percentage of annual PA graduates are hired by one of their clinical preceptor sites. By mentoring students as preceptors, physicians can assess the applicants whose level of health care experience, clinical capabilities, and personality best fit their practice environment.

- *Job Fairs and Bulletin Boards*
  Most PA programs or their student associations sponsor an annual employment Job Fair as students near graduation. Additionally, most PA programs keep a bulletin board of job announcements for both new graduates and practicing physician assistants.

- *Newsletters*
  The Wisconsin Academy of Physician Assistants publishes a monthly newsletter called *The Spectator* that has space available for employment opportunities and announcements for both new graduates and practicing physician assistants.

- *Employment Exchange Program*
  The Wisconsin Office of Rural Health provides this practice opportunity listing service free of charge to both the health professional and the employer/community. Positions listed are available via a monthly bulletin provided to all inquiring health professionals on request. The monthly bulletin includes the basic elements of a position vacancy, and potential practitioners can contact the prospective employer directly for further information.

Retention Assistance

The WisTREC project, Wisconsin AHEC System, and academic training programs are partnering on a variety of programs to help rural and urban underserved areas recruit and retain primary care providers. These programs include: recruiting more students from rural and underserved populations, developing more student experiences in rural and urban shortage areas, and developing more distance education to help students live and work closer to home. It is believed that PA students who are able to work and/or reside in rural and underserved areas while enrolled in the educational program are much more likely to remain in these communities after completion of the nurse practitioner educational program. These students are likely candidates for employer recruitment efforts in rural and urban health professional shortage areas.

Wisconsin Medicaid offers a primary care HPSA bonus payment to encourage primary care providers, including physician assistants, to practice in HPSAs or to provide services to Medicaid recipients who live in designated shortage areas. Wisconsin Medicaid provides a 20 percent HPSA bonus payment for certified providers who render selected primary care services for covered

Medicaid recipients. Also, providers of obstetrical services may be eligible for an additional 25 percent obstetric HPSA bonus payment for covered recipients.

The federal Rural Health Clinic Services Act authorizes favorable Medicare and Medicaid cost-based reimbursement to certified rural health clinics for services provided by physician assistants and other midlevel providers. As a condition of participation in the RHC program, certified clinics are required to employ a physician assistant, or other qualified nonphysician provider, to serve patients at least 50 percent of the time the clinic is open. Once certified, the RHC is required to retain the physician assistant or lose the favorable cost-based reimbursement for Medicare- and Medicaid-covered patients.

RESOURCE GUIDE AND REFERENCES

Facts About Physician Assistants

Education and Certification

American Academy of Family Physicians, 8880 Ward Parkway, Kansas City, MO 64114; phone (816) 333-9700; e-mail fp@aafp.org.

Information Regarding the Education and Training of Nurse-Midwives, Nurse Practitioners, Pharmacists, and Physician Assistants, March 1997

American Academy of Physician Assistants, 950 North Washington Street, Alexandria, VA 22314-1552; phone (703) 836-2272; fax (703) 684-1924; e-mail aapa@aapa.org.

AAPA Web site - http://www.aapa.org.
1998 AAPA Physician Assistant Census Report
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Association of Physician Assistant Programs, 950 North Washington Street, Alexandria, VA 22314-1552; phone (703) 548-5538; fax (703) 684-1924; e-mail apap@apap.org.

APAP Web site - http://www.apap.org.

Marquette University, Physician Assistant Program, P.O. Box 1881, Milwaukee, WI 53201-1881; phone (414) 288-5688.

Accredited Master's Degree Program
Web site - http://www.marquette.edu/chs/pa/

University of Wisconsin-La Crosse, Physician Assistant Program, 1725 State Street, La Crosse, WI 54601; phone (608) 785-6620; fax (608) 785-6647; e-mail paprogram@uwlax.edu.

Accredited Master's Degree Program
Web site - http://www.uwlax.edu/PASTUDIES/documents/bac_pre_desc.htm

University of Wisconsin-Madison, Physician Assistant Program, 1135 Medical Sciences Center, 1300 University Avenue, Madison, WI 53706; phone (608) 263-5620.

Accredited Bachelor's Degree Program
Web site - http://www.physicianassistant.wisc.edu

Wisconsin Program for Training Regionally Employed Care Providers (WisTREC), UW Madison School of Nursing, CSC K6/218, 600 Highland Avenue, Madison, WI 53792; phone (608) 262-8755; fax (608) 263-5170.

Web site - http://academic.son.wisc.edu/wistrec/

Characteristics of Practitioners

American Academy of Physician Assistants, 950 North Washington Street, Alexandria, VA 22314-1552; phone (703) 836-2272; fax (703) 684-1924; e-mail aapa@aapa.org.

AAPA Web site - http://www.aapa.org
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Wisconsin Academy of Physician Assistants, P.O. Box 1109, Madison, WI 53701; phone (800) 762-8965; fax (608) 283-5402; e-mail WAPA@SMSWI.ORG.

Web site - http://www.wapa.org

Wisconsin Office of Rural Health, Primary Providers for Wisconsin, 5721 Odana Road, Suite 208, Madison, WI 53719. Office phone (608) 271-6302, (800) 385-0005.

Web site - http://www.worh.org/

Scope of Practice

State of Wisconsin, Department of Regulation and Licensing, Medical Examining Board, P.O. Box 8935, Madison, WI 53708; phone (608) 266-2811.

Wisconsin Administrative Code, Chapter Med 8.
Web site - http://drl.wi.gov/prof/phya/def.htm

Wisconsin Academy of Physician Assistants, P.O. Box 1109, Madison, WI 53701; phone (800) 762-8965; fax (608) 283-5402; e-mail WAPA@SMSWI.ORG.

Web site - http://www.wapa.org

Spectrum of Practice Settings

American Academy of Physician Assistants, 950 North Washington Street, Alexandria, VA 22314-1552; phone (703) 836-2272; fax (703) 684-1924; e-mail aapa@aapa.org.

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Glaser, V. (1994). Does your practice need a midlevel provider? *Family Practice Management 1*(8), 43-50, 52.

Prescriptive Authority

State of Wisconsin, Department of Regulation and Licensing, Medical Examining Board, P.O. Box 8935, Madison, WI 53708; phone (608) 266-2811.

Wisconsin Administrative Code, Chapter Med 8.
Web site - http://drl.wi.gov/prof/phya/def.htm

Wisconsin Academy of Physician Assistants, P.O. Box 1109, Madison, WI 53701; phone (800) 762-8965; fax (608) 283-5402; e-mail WAPA@SMSWI.ORG.

Web site - http://www.wapa.org

Reimbursement And Financial Analysis

Compensation Arrangements

American Academy of Physician Assistants, 950 North Washington Street, Alexandria, VA 22314-1552; phone (703) 836-2272; fax (703) 684-1924; e-mail aapa@aapa.org.

AAPA Web site - http://www.aapa.org

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American Academy of Physician Assistants, 950 North Washington Street, Alexandria, VA 22314-1552; phone (703) 836-2272; fax (703) 684-1924; e-mail aapa@aapa.org.

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Medical Group Management Association. (2002, September). *Physician Compensation and Production Survey: 2002 Report Based on 2001 Data*. Denver, CO: Author.

Third-Party Coverage and Payment

American Academy of Physician Assistants, 950 North Washington Street, Alexandria, VA 22314-1552; phone (703) 836-2272; fax (703) 684-1924; e-mail aapa@aapa.org.

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Expanded Coverage of Medical Services Provided by PAs Under Medicare
Physician Assistant Third-Party Coverage

Wisconsin Department of Health and Family Services, Division of Health Care Financing. (1994, October). *Wisconsin Medical Assistance Provider Handbook, Part K - Physician Services, K1-004 – K1-00*. Madison, WI: Author

EDS Provider Maintenance; phone (608) 221-9883

WPS Health Insurance, 1717 West Broadway, P.O. Box 8190, Madison, WI 53708; phone (800) 221-6951.

WPS-Medicare Part B, 1717 West Broadway, P.O. Box 1787, Madison, WI 53701; phone (608) 221-4711.

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Employment Information

Employment Contracts and Agreements

American Academy of Physician Assistants, 950 North Washington Street, Alexandria, VA 22314-1552; phone (703) 836-2272; fax (703) 684-1924; e-mail aapa@aapa.org.
Hiring a Physician Assistant, 2005

Tinsley, R. (1998). *Medical Practice Management Handbook*. New York: Harcourt Brace & Company.

Credentialing

American Academy of Physician Assistants, 950 North Washington Street, Alexandria, VA 22314-1552; phone (703) 836-2272; fax (703) 684-1924; e-mail aapa@aapa.org.
Hospital Privileges Summary, March 1996

Patient Satisfaction

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Liability Insurance

American Academy of Physician Assistants, 950 North Washington Street, Alexandria, VA 22314-1552; phone (703) 836-2272; fax (703) 684-1924; e-mail aapa@aapa.org.

Malpractice Insurance: What PAs Should Know

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Day, K., & Meyer J. (1997, April 15). Professional liability insurance - Why bother? *AAPA News,* p.14.

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Wisconsin Office of Rural Health, Primary Providers for Wisconsin, 5721 Odana Road, Suite 208, Madison, WI 53719. Office phone (608) 271-6302, (800) 385-0005.

Web site - http://www.worh.org/

SAMPLE
LETTER OF EMPLOYMENT

Dear _____:

On behalf of the Medical Center I am pleased to welcome you as a Physician Assistant for our Medical Clinic. This letter contains details about your starting salary and the fringe benefit programs currently available. After reviewing this letter, please sign and return one copy to indicate your acceptance of employment with the Medical Center.

Your starting compensation at our Medical Clinic will be $_____ paid on a biweekly payroll schedule. This will be a full-time position and will consist of 40-45 hours per week. The probationary period will be 90 days, and your first performance review will be at six months. You will accrue fringe benefits during the probationary period and will be eligible to use these benefits upon completion of the period. You will have another evaluation at 12 months and then annually thereafter.

The Medical Center has an Earned Time Off Program designed to combine traditional vacation, sick, funeral, and personal holiday time into one account. Traditional holidays are not considered to be a part of the earned time program. This time is prorated for part-time employees. This accrued time may be used once the employee has completed the 90-day probationary period. For 1-5 years of service accumulation per month will be 1¾ days (14 hours) or 21 days (168 hours) per year with a maximum accrual of 31½ days (252 hours). For six or more years of service accumulation per month will be 2½ days (20 hours) or 30 days per year (240 hours) with the maximum accrual of 45 days (360 hours).

The Medical Center will provide single or family hospitalization and medical/surgical and dental insurance coverage.

The Medical Center pays the premium for a term life insurance policy equivalent to one times the annual salary for all full-time employees. (Rounded to the nearest $1,000, to a maximum of $100,000). This benefit also includes Accidental Death and Dismemberment coverage. Supplemental life insurance policies are available to the employee, spouse, and dependent children. Premiums for all supplemental plans are deducted monthly via payroll check.

The Medical Center provides a short-term disability - salary continuation program for employees averaging 20 or more hours per week. The plan will provide income replacement during short periods of disability. The benefit amount is equal to 100% of base salary from the 1st day of disability and continues through the 90th day of disability.

The Medical Center also provides long-term disability insurance for employees who are working 30 or more hours per week on a regular basis. Long-term disability begins on the 91st day of disability and pays 60% of annual income, not to exceed $15,000 per month.

The retirement plan includes profit sharing and a voluntary 401(k) feature with an additional employee matching contribution. Eligible employees may enter the plan January 1 or July 1 after 12 months of service and 1,000 work hours. Example: Date of employment is June 26, 2005; entry into the plan is July 1, 2005. Date of employment is September 26, 2005; entry into the plan is January 1, 1996. The exact date participation begins is dependent on the date you begin employment and on the plan terms.

The Medical Center will pay both the state component as well as the private component of your malpractice insurance.

The Medical Center will also pay state (The Wisconsin Academy of Physician Assistants) and national (The American Academy of Physician Assistants) dues.

The Medical Center will provide five (5) days of educational time per year. Each Physician Assistant will be granted $1,500 annually for continuing education and expenses. If you choose not to use the $1,500 during the calendar year, it may be carried into the next year. Maximum accrual is $2,000.

The Medical Center also requires that all medical staff must have a medical evaluation to comply with the Americans With Disabilities Act. We will try to schedule this for you during your orientation.

You must obtain a valid Wisconsin Physician Assistant License before you will be able to start working at the Medical Center.

Please note that the benefits and programs are subject to change or discontinuance without prior notice.

This letter covers the items we discussed and summarizes the current benefits and practices available to Physician Assistants at the Medical Center. It is not a contract of employment or an offer of a contract. This offer of employment is valid for a period of two (2) weeks from the date of this letter and the acceptance of employment must be signed by you within this time period or the offer will be void. Physician Assistants are employed on an at will basis.

If you have any questions or if I can be of any assistance, please feel free to give me a call.

Sincerely,

Medical Staff Recruiter

I accept employment as outlined above.

_____ Date: _____

SAMPLE
EMPLOYMENT AGREEMENT

This agreement is effective as of _____, by and between _____ (a Wisconsin Service Corporation), with a place of business at _____, Wisconsin, hereinafter referred to as "Employer," and _____, P.A., hereinafter referred to as "Employee."

Section 1 - Recitals

1.1 Employee desires to accept employment as a Physician Assistant for the Employer's business.

1.2 Employer has offered Employee employment under the terms and conditions set forth in this agreement, and Employee is willing to accept employment on such terms and conditions.

1.3 In consideration of the above recitals and the mutual promises and agreements contained in this agreement, it is mutually agreed as provided herein.

1.4 Employee shall not have nor vest into any ownership of Employer's business as a result of this agreement.

1.5 Employee shall perform his or her duties under this agreement in an ethical and professional manner.

1.6 Employee shall work hours as assigned by Employer. However, it is expected that Employee shall work five (5) full days each week.

Section 2 - Term

The term of this agreement shall begin on the above stated effective date and shall continue until terminated as provided in this agreement. This agreement shall terminate upon either party giving written notice at least 30 days prior to terminating.

Section 3 - Compensation

Base Salary - Employee shall be paid a base annual salary of $_____ paid at the rate of $_____ per month.

Incentive Compensation - In addition to the base salary, Employee shall be entitled to incentive-based compensation. Said compensation to be 33% of receipts attributable to Employee's charged services in excess of $_____.

Receipts credited to Employee are defined as the gross charges billed directly for Employee professional services *times* Employer's collection percentage for the period.

Incentive compensation to be paid no less than annually with the initial calculation due no later than 15 days following July 1 of each year.

Section 4 - Continuing Education Expenses

During the term of this agreement, Employer shall reimburse Employee a maximum of $1,700 per year for continuing education expenses. Said expenses to include transportation, registration, lodging, meals, and other properly documented education expenses submitted to Employer.

Employer shall pay or reimburse Employee for dues paid to one state and one national physician assistant society or association.

Section 5 - Benefits

Retirement Plan - Employee will be eligible to receive a contribution to the Corporation's Pension and Profit Sharing plan on the first August 1 *after* his or her initial year of employment. See Summary Plan Description for details of eligibility and entry dates (available from Employer).

Liability Coverage - Employer shall provide professional liability coverage for Employee.

Vacation - Employee shall be granted three (3) weeks vacation with pay. Pay to be computed as 1/52 of Employee's base salary for each week's vacation.

A week's vacation shall be defined as the equivalent of five (5) working days. Vacation days must be taken in no less than half-day increments.

Sick Leave - Employee shall be allowed up to seven (7) days per year with pay for time off due to sickness or illness of Employee.

Continuing Education - Employee shall be granted one (1) week (5 working days) per year for purposes of attending continuing education meetings/courses.

Holiday Pay - Employee shall be eligible for paid holidays falling on a day he or she is regularly scheduled to work.

Other Benefits - Employee may be eligible for other fringe benefits as may be provided employees as determined from time to time and at the discretion of the Board of Directors.

Section 6 - Governing Law

It is agreed that this agreement shall be governed by, construed, and enforced in accordance with the laws of the state of Wisconsin.

Section 7 - Entire Agreement

This agreement shall constitute the entire agreement between the parties, and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated in this agreement.

Section 8 - Modification of Agreement

Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

Section 9 - No Waiver

The failure of either party to this agreement to insist upon the performance of any of the terms and conditions of this agreement, or the waiver of any breach of any of the terms and conditions of this agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver has occurred.

Section 10 - Effect of Partial Invalidity

The invalidity of any portion of this agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

In witness whereof, each party to this agreement has caused it to be executed at _____, Wisconsin, on the date indicated below.

Dated: _____ Employer: _____

By: _____

Dated: _____ Employee: _____

By: _____

SAMPLE
PHYSICIAN ASSISTANT PRESCRIPTION AUTHORIZATION

As the supervising physician(s) of _____, PA-C, I authorize the writing of all scheduled and nonscheduled prescriptions listed in the American Hospital Formulary with the following exceptions:

_____
_____
_____
_____
_____
_____

We have reviewed this authorization form together on _____.

Physician Signature(s)

_____

_____

_____

_____

_____

_____

PA Signature

_____

RECRUITMENT RESOURCES *
LINKED WITH WISCONSIN
HEALTH PROFESSIONAL SHORTAGE AREAS (HPSAs)

* NOTE: Many programs will not provide financial assistance if providers have service obligations from another federal or state program that have not been fulfilled.

National Health Service Corps (NHSC) – Scholarship (federal)			
Eligible Students	**Eligible Sites & Requirements**	**Provider Benefits & Service Obligations**	**Application Information and Assistance**
US citizens. Students in medical, family nurse practitioner (FNP), nurse midwifery (CNM), or physician assistant (PA) schools who agree to go into primary care specialties.	Approved sites in high need HPSAs. Sites provide comprehensive care and financial access (community health centers, rural health & tribal clinics, private clinics, and state facilities).	Full tuition & fees, monthly stipend & educational expenses. 1 year of service at an approved high need site for each year of scholarship.	Student applications due last Friday of March. Call NHSC for applications at (800) 221-9393. For info on state sites call Wisconsin Primary Care Section at (608) 264-9779.

National Health Service Corps (NHSC) - Loan Repayment (federal)			
Eligible Providers	**Eligible Sites & Requirements**	**Provider Benefits & Service Obligations**	**Application Information and Assistance**
US citizens. Primary care providers: physicians/ MD & DO (family, ped, int med, psych, ob/gyn), dentists and hygienists, NPs, PAs, CNMs, and clinical psychologists, clinical social workers, psychiatric nurses, marriage & family therapists.	Approved sites in high need HPSAs. Sites provide comprehensive care and provide financial access (community health centers, rural health & tribal clinics, private clinics, state & county facilities).	Up to $50,000 for a 2-year commitment. Then up to $35,000/yr for awarded one-year extensions. Payment of up to an additional 39% of loan repayment to cover tax liabilities.	Applications accepted throughout year. Sites must be approved first. Provider applications available from NHSC at (800) 221-9393. For vacancy info or site assistance call WI Primary Care Section at (608) 264-9779.

Wisconsin Health Professions Loan Assistance (state)			
Eligible Providers	**Eligible Sites & Requirements**	**Provider Benefits & Service Obligations**	**Application Information and Assistance**
Primary care providers: physicians/ MD & DO (family, ped, int med, psych, ob/gyn), NPs, PAs, and CNMs.	HPSAs. Community primary care, tribal, and mental health sites.	Up to $50,000 over 3 years for MD/DO. Up to $25,000 over 3 years for NP, PA, CNM. Providers agree to provide financial access.	MD applications are due December 1. Other applications are due April 1. Provider application and info on vacancies available from WI Office of Rural Health (800) 385-0005 or (608) 265-3603.

Nursing Education Loan Repayment (federal)			
Eligible Providers	**Eligible Sites & Requirements**	**Provider Benefits & Service Obligations**	**Application Information and Assistance**
US citizens. Registered nurses who completed a diploma or academic degree in nursing (associate, baccalaureate, masters).	Nurse shortage counties (22 in WI). Sites include: tribal and rural health clinics, community health centers, public hospitals, and certain non-profit facilities.	Maximum of $30,000. Up to 60% of principal & interest on loan for 2 years. Additional 25% for 3rd year. Minimum 2-year commitment.	Provider application and info available from federal office at (800) 435-6464.

Indian Health Service Scholarship (federal)			
Eligible Students	**Eligible Sites & Requirements**	**Provider Benefits & Service Obligations**	**Application Information and Assistance**
American Indian or Alaskan Native students in pre-professional or academic health professions programs (call for more information).	Indian Health Service facilities, tribal health centers supported by IHS, and private practice in a HPSA serving a large number of Indians.	Tuition and fees, monthly stipend, and educational expenses. Minimum 2-year service obligation, 1 year at an approved site for each year of scholarship.	Applications due April 1st. Call Bemidji area IHS (218) 759-3350 for applications and site assistance.

Indian Health Service Loan Repayment (federal)			
Eligible Providers	**Eligible Sites & Requirements**	**Provider Benefits & Service Obligations**	**Application Information and Assistance**
Primary care physicians (family, int med, ped, geriatric, ob/gyn, psych); Doctors of Osteopathy; dentists; NPs; NMs; RNs; nurse anesthetists; mental health and allied health practitioners.	Indian Health Service facilities & approved tribal health centers.	Minimum 2-year obligation. Up to $30,000 per year of service (towards loans for tuition expenses) plus up to 31% of fed tax liability.	Applications accepted throughout year. Call Bemidji area IHS (218) 759-3415 for applications and site assistance.

J-1 Visa Waivers to Recruit Foreign Medical Graduates (federal)			
Eligible Providers	**Eligible Sites & Requirements**	**Provider Benefits & Service Obligations**	**Application Information and Assistance**
J-1 visa physicians who have completed a primary care residency in the US (family pract, int med, ped, ob/gyn, gen psych).	Primary care facilities located in designated HPSAs. Sites agree to provide financial access.	Foreign medical graduates can obtain a work visa and remain in the US. Must provide primary care in a HPSA for 3 years, and provide financial access.	State can recommend 20 J-1 visa waivers per year to USIA. Employers submit request to State, call WI Primary Care Section for information (608) 267-4882.

Wisconsin Department of Health and Family Services
Division of Public Health
Primary Care and Health Promotion Section
POH 43,000 (4/99)

PRIMARY CARE
RECRUITMENT & RETENTION RESOURCES
AVAILABLE TO SHORTAGE AREAS IN WISCONSIN

HEALTH PROFESSIONAL SHORTAGE AREA (HPSA)

A "HPSA" is a federal designation that reflects a shortage of primary care health professionals in one of the following: a geographic area (rural or urban), a specific population (e.g., low income or homeless), or a public or non-profit facility (correctional or mental health). A HPSA designation is used to help determine eligibility for many federal and state recruitment and retention resources for primary care entities.

Char White *(608) 264-7735* *WI Division of Public Health (DPH) Primary Care Section*

RECRUITMENT RESOURCES LINKED WITH HPSAs

1. National Health Service Corps

This federal program can provide loan repayment and scholarship assistance to primary care providers who agree to practice at least two years in a designated HPSA. Eligible providers include primary care physicians, nurse practitioners, physician assistants, nurse midwives, dentists and dental hygienists, and mental health professionals. To be eligible, community sites must be in HPSAs with the greatest shortages and must offer financial access to care.

Earnestine Moss *(608) 264-9779* *WI DPH, Primary Care Section*

2. Immigration Waivers to Recruit Foreign Medical Graduates

Clinics located in HPSAs can recruit foreign primary care physicians who have completed an U.S. residency program, by requesting a waiver of the home residence requirement for J-1 visa foreign medical graduates. Recommendations for J-1 visa waivers can be requested through the state health department (20 per year) or through the U.S. Department of Agriculture. The foreign physicians must agree to practice for three years in a HPSA.

Anne Dopp *(608) 267-4882* *WI DPH, Primary Care Section*

3. Wisconsin's Health Professions Loan Assistance Programs for Primary Care Providers

These state programs can provide loan repayment to primary care providers who agree to practice in shortage areas. Eligible providers include: primary care physicians, nurse practitioners, physician assistants, nurse midwives, and psychiatrists. The Wisconsin Department of Commerce and the Wisconsin Office of Rural Health administer these programs.

Mark Shapleigh *(800) 385-0005* *WI Office of Rural Health*

COMPARISON OF PHYSICIAN ASSISTANTS AND NURSE PRACTITIONERS

CATEGORY	PHYSICIAN ASSISTANT	NURSE PRACTITIONER
Definition	Health care professionals licensed to practice medical care with physician supervision.	Registered nurses with advanced education and training in a clinical specialty who can perform delegated medical acts with physician supervision.
Philosophy/Model	**Medical/physician model**, disease centered, with emphasis on the biological/pathologic aspects of health, assessment, diagnosis, treatment. **Practice model is a team approach relationship with physicians.**	**Medical/Nursing model**, Biopsychosocial centered, with emphasis on disease adaptation, health promotion, wellness, and prevention. **Practice model is a collaborative relationship with physicians.**
Education	Affiliated with **Medical schools** Previous health care experience required; most programs require B.S. and confer Masters degree. Program curriculum is advanced science based. Approx. 1000 didactic and **over 2000 clinical hours.** All PAs are trained as generalists in the primary care model and some receive post-graduate specialty training. Procedure and skill oriented with emphasis on diagnosis, treatment, surgical skills, and patient education.	Affiliated with **Nursing schools** BSN is prerequisite; curriculum is bio-psychosocial based, based upon behavioral, natural, and humanistic sciences. NPs choose a specialty-training track in adult, acute care, pediatric, women's health or gerontology. Approx. 500 didactic hours and **500-700 clinical hours.** Emphasis on patient education, diagnosis, treatment and prevention. Generally not trained for surgical settings. Master's conferred.
Certification/Licensure **Recertification**	Separate but single accreditation and certification bodies **require** successful completion of an accredited program and NCCPA national certification exam. NCCPA certification is the gold standard and is required to obtain a PA license in Wisconsin. (Chapter Med 8) **Recertification requires 100 hours of CME every 2 years and exam every 6 years**. **Recertification is comparable to family physicians**. All PAs are licensed by their State Medical Board and the Medical Practice Act provisions.	Nursing accreditation and multiple nursing certification agencies. Master's Degree required to sit for exam; national certification is **voluntary.** An optional certificate (APNP) and a written collaborative agreement with a physician are required for prescribing. (Chapter N 8) **Recertification requires 1500 direct patient contact hours and 75 CEUs every 5-6 years**. **No exam is required**. NP's practice under their basic RN license under the Nurse Practice Act
Scope of Practice	The supervising physician has relatively broad discretion in delegating medical tasks within his/her scope of practice to the PA in accordance with state regulations. Written guidelines are required for prescriptions. Does not require on-site supervision **Chapter Med 8 in WI Administrative Code**	Nursing care is provided as an independent function. However**,** protocols or written or verbal orders are required for delegated medical acts - such acts require general MD supervision. S**ec. N6.03(2), WI Administrative Code**
Third Party Coverage and Reimbursement	PAs are eligible for certification as Medicaid and Medicare providers, and generally receive favorable reimbursement from commercial payers.	NP's are eligible for certification as Medicaid and Medicare providers, and generally receive favorable reimbursement from commercial payers.
References	***http://academic.son.wisc.edu/wistrec*** ***www.wapa.org*****,** ***www.aapa.org***	***http://www.nursingworld.org/*** **WI Regulatory Digest,** www.nonpf.com *www.wisconsinnurses.org*

RESOURCES AVAILABLE FOR THE INITIAL HIRING AND EMPLOYMENT OF PHYSICIAN ASSISTANTS

PA EMPLOYMENT GUIDE
This booklet covers all the basics for potential Wisconsin employers. It includes information on PA education, scope of practice, current salary statistics, licensing and regulation, cost benefit analysis, reimbursement guidelines, sample employment contracts and hospital credentialing documents. It is available free of charge at the Wisconsin Academy of Physician Assistants (WAPA) website: www.wapa.org.

EMPLOYER'S GUIDE
Basic information and answers to frequently asked questions provided by the American Academy of Physician Assistants (AAPA), on their website: www.aapa.org. Follow the link to "Employment and Employer's Guide."

HIRING PHYSICIAN ASSISTANTS
A comprehensive booklet prepared by and available from the AAPA, available at $15 for AAPA members, $30 for non-members.

AAPA STAFF RESOURCES
AAPA Phone (703) 836-2272. There is no charge for AAPA staff consultations.
Jennifer Hohman, Administrator of Professional Affairs, extension 3220 (general employment issues and information)
Fauzea Hussain or Michael Powe, Reimbursement Specialists, extension 3219 (billing and reimbursement)
The Network for Supervising Physicians: A program designed to support physicians who employ PAs and increase effective utilization. Information at www.aapa.org or by calling program director, Jennifer Rotchford, extension 0176.

WAPA LEADERSHIP RESOURCES
Lou Falligant, PA-C, WAPA Executive Vice-President, Director of Midlevel Providers for Dean Health System. (knowledgeable local resource, can clarify the differences between PAs and NPs, 608-252-8328)
Anne Hletko, PA-C, WAPA BOD (scope or practice, reimbursement, regulations, VID@execpc.com)
Jeff Nicholson, M.Ed., MPAS, PA-C, Program Director of the UW-Madison PA Program and WAPA BOD (information on PA education and employment statistics, 608-263-5620)

ADVERTISING A POSITION
Wisconsin Academy of Physician Assistants (WAPA) newsletter called the *Spectator*. Ads may be placed for $100 per issue (monthly and bimonthly) and includes posting on the state academy website. Ads may be placed indefinitely on the website only for a nominal fee. Call (608) 442-3737
Position listings can be posted free of charge at the PA Programs.
UW-Madison (608) 263-5620, Marquette University (414) 288-5688, UW-La Crosse (608) 785-6620